



TEXAS ALCOHOLIC BEVERAGE COMMISSION

Texans Helping Businesses & Protecting Communities

P.O. Box 13127
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November 24, 2020

The Honorable Tracy O. King, Chair
The Honorable Craig Goldman, Vice Chair
Committee Members
House Licensing and Administrative Procedures
Capitol Building, Room E2.156
Austin, TX 78701

Dear Chair King, Vice Chair Goldman, and Committee Members:

The Licensing and Administrative Procedures Committee requested information pertaining to Interim Charge 2. Enclosed is a detailed response from the Texas Alcoholic Beverage Commission, including the summary of TABC's efforts to combat human trafficking and how the agency is uniquely suited to disrupt and dismantle these criminal enterprises operating in TABC-licensed businesses.

Interim Charge 2: *Study efforts by the TABC to combat human trafficking at all licensed locations. Make recommendations to increase the TABC's ability to rescue victims and successfully prosecute permit holders that have been identified as participating in human trafficking, and to make regulatory or statutory changes needed to prevent human trafficking in this state.*

Summary of Human Trafficking Prevention efforts

The 86th Legislature included combating human trafficking in the agency's core mission, recognizing TABC's vital role in combating these crimes, while providing funding and assigning the agency to the Human Trafficking Coordinating Council to effectively prevent these criminal activities from taking place in TABC-licensed businesses. As the state's sole regulator of the alcoholic beverage industry, TABC is uniquely positioned to combat human trafficking because those committing these crimes often operate in bars, cantinas, restaurants, hotels, and adult entertainment businesses.

TABC's Special Investigations Unit (SIU) and Criminal Intelligence Unit (CIU) have the primary responsibility of identifying and rescuing victims of human trafficking. Almost 20% of human trafficking victims nationwide have been found in Texas. Unfortunately, victims rarely self-report or disclose any trafficking-related offenses. Even with these challenges, TABC has rescued or assisted in the rescue of over 100 victims since May 2019.

SIU's mission is to dismantle and disrupt the criminal organizations tied to any of the 55,000 TABC-licensed businesses. Since the start of FY 2020, the agency has canceled the permits of 12 locations and



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arrested or assisted in arresting more than 480 individuals involved in human trafficking or related offenses such as prostitution, drink solicitation, and employment harmful to children. TABC is effective due to coordination and close collaboration with local, state, and federal agencies and organizations.

SIU has reorganized to become more proactive and effective in combating human trafficking. As a result, the agency focused a significant amount of SIU's resources on the Houston area. By implementing an intelligence-based approach, the unit focuses its limited but critical resources on the highest threats involved in human trafficking. However, as the agency becomes more effective in the Houston area, additional resources will be required in other parts of the state as traffickers will relocate operations where investigative efforts are not as concentrated.

The investigation of human trafficking consumes a great deal of the unit's resources and time. With the projected increase in the state's population and the growth in the number of TABC-licensed businesses, the agency will have to increase the number of its human trafficking investigations. With consideration for the Human Trafficking Prevention Coordinating Council and Task Force, outlined in their five-year strategic plan and the proposed legislative changes, TABC would have additional tools to combat human trafficking and rescue innocent children. In our Legislative Appropriations Request, we have asked for additional resources to allow the agency to support victims by connecting them with victim services organizations, which are critical for assisting human trafficking survivors and ensuring the successful prosecution of traffickers in these criminal enterprises.

The Texas Alcoholic Beverage Commission appreciates the opportunity to provide this valuable information to the committee. We look forward to our continued efforts and effectively regulating all licensed businesses in the alcoholic beverage industry.

Sincerely,

A. Bentley Nettles
Executive Director
Texas Alcoholic Beverage Commission